

Message Text

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ACTION ARA-14

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FM AMEMBASSY QUITO
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INFO AMEMBASSY CARACAS

C O N F I D E N T I A L QUITO 4481

E.O. 11762: GDS
TAGS: ETRD OPEC VE US EC
SUBJ: VANIK BILL ON ECUADOR: VENEZUELA EXCLUSION FROM
GSP

REF: CARACAS 5808

1. I WOULD LIKE TO STRONGLY ASSOCIATE MYSELF WITH THE
VIEWS EXPRESSED BY AMBASSADOR VAKY IN REFTEL. THE ECUADOREAN
PRESS TODAY CARRIES THE STORY OF CONGRESSMAN VANIK'S INTRO-
DUCTION OF A BILL TO EXEMPT ECUADOR AND VENEZUELA FROM THE
OPEC EXCLUSION CLAUSE IN GSP AND OF THE FACT THAT THE ADMINIS-
TRATION WILL BE CALLED UPON TO TESTIFY. NEEDLESS TO SAY, IF
THE ADMINISTRATION TAKES LESS THAN A FORTHRIGHT POSITION IN
SUPPORT OF THE MEASURE, THE REPERCUSSIONS IN ECUADOR WILL BE
AS NEGATIVE AS IN VENEZUELA.

2. THIS IS PARTICULARLY SO IN VIEW OF THE DISCUSSIONS OF
THIS PROBLEM DURING MRS. CARTER'S VISIT TO QUITO LAST MONTH.
DURING CONVERSATIONS BETWEEN ASSISTANT SECRETARY TODMAN AND
THE FOREIGN MINISTER AS WELL AS OTHER HIGH OFFICIALS,
THE ECUADOREANS STATED FRANKLY THEIR IMPRESSION THAT THE
CARTER ADMINISTRATION WAS DOING LESS TO REMOVE THE BAN
FROM ECUADOR AND VENEZUELA THAN HAD THE FORD
ADMINISTRATION. THEY WERE TOLD THAT THE PRESIDENT WOULD
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LIKE TO HAVE ECUADOR AND VENEZUELA REMOVED FROM THE
EXCLUSION CLAUSE BUT THAT IT WAS A QUESTION OF TIMING
AND THE MANNER IN WHICH THE ISSUE SHOULD BE PRESENTED TO
THE CONGRESS SO AS TO MAXIMIZE THE CHANCES OF SUCCESS.
THE LATTER CONCERNS HAVE NOW BEEN TAKEN OUT OF OUR HANDS
BY CONGRESSMAN VANIK'S ACTION.

3. IN ADDITION TO THE POINTS MADE BY AMBASSADOR VAKY ON THE OVERALL QUESTION OF ADMINISTRATION TACTICS, I WOULD LIKE TO MAKE THE FOLLOWING OBSERVATIONS IN REGARD TO HOW THIS MATTER AFFECTS OUR INTERESTS IN ECUADOR. THE PRESENT GOVERNMENT, AS WE HAVE POINTED OUT BEFORE, BELIEVES THAT IT HAS MADE A SINCERE EFFORT OVER THE PAST YEAR AND A HALF TO DRAW CLOSER TO THE UNITED STATES AND ACCOMMODATE US, WITHIN THE LIMITS IMPOSED BY ITS OWN NATIONAL INTERESTS. THE CONCRETE MANIFESTATIONS OF THIS POSTURE HAVE BEEN, AMONG OTHERS, THE SETTLEMENT OF THE GULF MATTER IN THE FACE OF LEFTIST/NATIONALIST PRESSURE FOR EXPROPRIATION WITHOUT COMPENSATION, THE WORKING OUT WITH THE EMBASSY OF WAYS AND MEANS TO MINIMIZE THE POSSIBILITY OF FISHING SEIZURES, ABSTAINING FROM MAKING A PUBLIC FUSS ABOUT THE VETO OF THE KFIR SALE, REJECTION OF AN INVITATION TO ATTEND A SOUTHERN-CONE-INSPIRED CHIEFS OF STATE MEETING WHICH WOULD HAVE BEEN DIRECTED AGAINST THE US. HUMAN RIGHTS POLICY, THE WARM RECEPTION ACCORDED MRS. CARTER AND THE TREATMENT OF HER VISIT IN A SERIOUS AND SUBSTANTIVE FASHION, AND, MORE RECENTLY, VOTING WITH THE US. ON THE HUMAN RIGHTS ISSUE IN GRENADA DESPITE STRONG PRESSURES FROM ITS NATURAL ALLY CHILE TO DO OTHERWISE.

4. FOR OUR PART, WE THUS FAR HAVE APPEARED TO BE ONLY MINIMALLY RESPONSIVE TO ECUADOR'S CHIEF CONCERN THESE DAYS, WHICH IS HER PERCARIOUS SECURITY SITUATION VIZ-A-VIZ
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PERU. WE HAVE BEEN UNABLE TO COUNTERACT THE KFIR VETO WITH AN OFFER OF AIR DEFENSE EQUIPMENT AND WE HAVE ALSO BEEN UNABLE TO SHORTEN THE DRASTICALLY LONG LEAD TIMES FOR THE DELIVERY OF ANTI-TANK AND ANTI-AIRCRAFT EQUIPMENT TO THE ARMY. IF WE NOW APPEAR TO BE HEDGING OR DRAGGING OUR FEET ON THE GSP EXCLUSION, A MAJOR IRRITANT IN OUR RELATIONS, THE ECUADOREANS WILL BEGIN TO ASK WHETHER FRAMING THEIR FOREIGN POLICY SO AS TO TILT TOWARD U.S. INTERESTS WHENEVER POSSIBLE IS REALLY WORTH THE PRICE THEY HAVE TO PAY IN TERMS OF ESCHEWING A HYPER-NATIONALISTIC POSE THAT MIGHT MAKE LIFE FOR THEM EASIER DOMESTICALLY. THIS COULD NOT ONLY SOUR OUR BILATERAL RELATIONS BUT WE CAN BE SURE THAT ECUADOR WILL REDOUBLE ITS EFFORTS TO MAKE THE GSP EXCLUSION A LATIN AMERICAN ISSUE.

5. IN A MORE POSITIVE CONTEXT, THE PRESIDENT STATED IN HIS INAUGURAL SPEECH THAT THE U.S. WOULD STAND BY THOSE COUNTRIES WHICH RESPECTED HUMAN RIGHTS AND FOSTERED DEMOCRATIC LEDALS. OF ALL THE OPEC COUNTRIES, ONLY VENEZUELA AND ECUADOR APPROACH QUALIFYING FOR THE SPECIAL TREATMENT IMPLIED BY THE PRESIDENT.
THE GSP EXCLUSION GLAUSE OFFERS ONE OF THE MORE OBVIOUS WAYS OF

GIVNG THE PRESIDENT'S WORDS SUBSTANCE.
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Disposition Approved on Date:
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